



U.S. Department of Justice
United States Attorney
District of Kansas

NEWS RELEASE

Eric Melgren, U.S. Attorney

Contact: Kena Rice

(316) 269-6481

Headquarters

1200 Epic Center
301 N. Main
Wichita, Kansas 67202
(316)269-6481
FAX (316)269-6484

Topeka Office

444 Quincy
Topeka, Kansas 66683

Kansas City Office

500 State Avenue
Suite 360
Kansas City, Kansas 66101

FOR IMMEDIATE RELEASE

News releases are available at www.usdoj.gov/usao/ks/
July 7, 2004

PITTSBURG, KANSAS, ACCOUNTANT PLEADS GUILTY TO MAIL FRAUD, WIRE FRAUD, AND INTERSTATE TRANSPORTATION OF STOLEN PROPERTY

WICHITA, Kan. – United States Attorney Eric Melgren announced that **Michael F. Loy**, 53, Pittsburg, Kansas, entered a guilty plea on July 6, 2004, before U.S. District Judge Wesley E. Brown to one count of mail fraud, two counts of wire fraud, and one count of interstate transportation of stolen property.

Melgren said that Loy admitted at his plea that while he was the personal accountant and custodian of the Norvelle Deruy Trust, he opened a margin account in January 1999 with a securities company and pledged stock from the Norvelle Deruy Trust valued in excess of \$2,600,000 to the securities company. Loy admitted that he pledged this stock without consent or permission and that on January 19, 1999, he requested and received a \$300,000 payout by check from the margin account which he deposited into his account at Southwest Missouri Bank, Jasper, Missouri, for his personal use. Loy further admitted that on January 25, 1999, he requested and received an additional \$300,000 by check from the margin account which he deposited into his account at Southwest Missouri Bank, Jasper, Missouri, for his personal use. Loy also admitted that on March 24, 2000, he received \$25,000 from one of his customers to invest in a company developing computer software and instead deposited the money into Bexar Communication, a Missouri corporation owned by Loy, and used the money to pay business and personal expenses.

Loy faces a maximum of five years in federal prison, without parole, for mail fraud, a maximum of five years for wire fraud, and a maximum of ten years for interstate transportation of stolen property. Sentencing is set for September 20, 2004, at 1:30 p.m.

Melgren commended the excellent work of the FBI in this investigation and Assistant U.S. Attorney Alan Metzger in this prosecution.